

SWEETGRASS DEVELOPMENT

SERVING NORTH CENTRAL MONTANA – CASCADE, GLACIER, PONDERA, TETON AND TOOLE COUNTIES

January 10, 2011

TO: Chairman Walter McNutt and members of the House Appropriations Committee

RE: Opposition to HB140;
Transfer funds from the economic development special revenue account

Sweetgrass Development is comprised of a five county region in North Central Montana including Glacier, Cascade, Pondera, Teton and Toole Counties. Sweetgrass Development is an Economic Development District with designation through the U.S. Economic Development Administration as well as a Certified Regional Development District through the state of Montana. The mission and objectives of the organization is to assist the governments and citizens in each county and the Blackfeet Nation, achieve their economic goals while preserving their distinct cultures and way of life.

Sweetgrass Development adamantly opposes HB 140, the transfer of funds from the Big Sky Economic Development Trust Fund (BSTF). These funds are a key element in planning and training for the state. Diverting these dollars would impede the economic development progress within the area, affecting not only those counties in the area, but the economy of the state as a whole. Sweetgrass Development partners with entities throughout the region in utilization of the funds.

The Economic Impact Analysis conducted by the Census and Economic Information Center indicated that from July 1, 2005 to December 31, 2010 over \$4.8 million was awarded to Montana businesses. **This resulted in the leveraging of an additional \$617.4 million in project spending from local sources.**

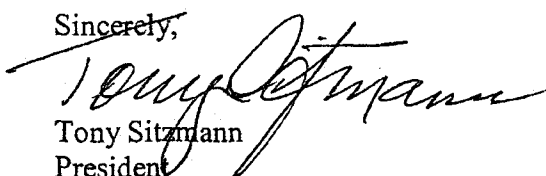
Specifically, Sweetgrass Development opposes HB 140 for the following important reasons:

1. Big Sky Economic Development Trust Funds are vital to government entities, non-profits and private business in the development stages of projects and training.
2. Funds leveraged through match which includes many private sector partnerships, shall be lost. In the last five years, over \$600 million was generated through the program.
3. Job loss and slowing of development will be detrimental to future tax revenues within the state.
4. Transferring funding generated by the Coal Trust to the General Fund sets a dangerous precedent to balance the state's budget.
5. Projects already in progress will be placed on hold or never materialize as a result of this legislation. Many of these projects use the BSTF funds to leverage other federal dollars and those monies will be lost.

We urge you to please oppose HB 140

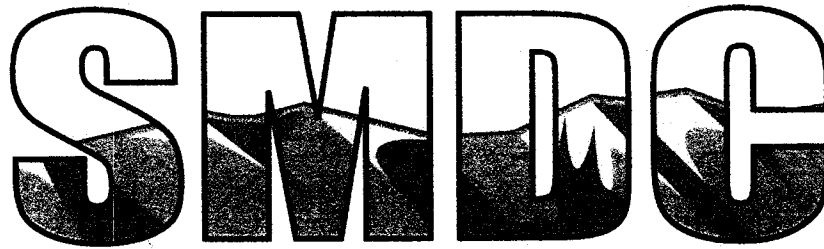
Thank you for your time and consideration.

Sincerely,



Tony Sitzmann
President

Sweetgrass Development Board of Directors



Snowy Mountain Development Corporation

January 10, 2011

TO: House Appropriations Committee

RE: HB 140, "An act authorizing the temporary allocation to the state general fund of 50% of the earnings deposited in the economic development special revenue account."

FR: Kathie A. Bailey, Executive Director of SMDC

Kathie A. Bailey

While we understand the financial position that the state finds itself; we oppose the use of funds that create jobs, positively impact the state's economy and comes from coal severance funds to balance the state's budget.

The fiscal note points out that, "It is estimated based upon the average amount of the three previous years' awards that **six job creation projects** averaging \$311,000 each would not be funded and that **forty-one feasibility studies and planning grants** averaging \$16,755 each would not be funded in the 2013 biennium."

These job creation projects and planning activities are necessary to ensure that projects develop and that efforts continue in the development of the state's economy. The long-term results of these projects and planning activities have a greater positive impact than the short-term financial benefit of this legislation.

Planning projects funded through the Big Sky Trust Fund such as the development of the Lewistown Airport Business Park plan sets the stage for creation of a business park necessary for new start-up, expanding and re-locating businesses to this area. While the \$9,000 grant was minimal in the scheme of things, it is a necessary planning activity for future growth and development of the central Montana area.

Each project has its own story and long-term results take years to develop. Even a "blip" of a couple years in the Big Sky Trust Fund activities can have significant negative long-term results on the state.

Thank you for this opportunity and we request your careful consideration of negative impacts as a result of this legislation.